

## Message Text

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PAGE 01 JERUSA 00850 101058Z

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SUBJ: POSSIBLE EFFECTS OF BEGIN GOVERNMENT ON WEST BANK

1. DURING CONVERSATIONS WITH LEADING WEST BANKERS IN AFTER-MATH OF BEGIN VICTORY WE HAVE HEARD MANY EXPRESSIONS OF CONCERN REGARDING PRACTICAL EFFECT BEGIN GOVERNMENT COULD HAVE ON DAILY LIVES OF WEST BANKERS. FOLLOWING IS SUMMARY OF POSSIBLE ACTIONS MOST DISCUSSED:

A. ANNEXATION OF WEST BANK - ALTHOUGH NOT COMPLETELY DISMISSED BY WEST BANKERS, GENERAL FEELING WAS THAT HE WOULD NOT ACT TO ANNEX FORMALLY WEST BANK IN LIGHT OF HIS OWN COMMENT ABOUT NOT NEEDING TO ANNEX WHAT IS ALREADY PART OF ISRAEL. ON OTHER HAND, THE GOI HAS LEGISLATION IN PLACE WHICH ALLOWS IT TO EXTEND ISRAELI LAW TO OCCUPIED TERRITORIES. THIS ISSUE IS CURRENTLY UNDER DISCUSSION IN CONNECTION WITH FORMATION OF NEW ISRAELI GOVERNMENT WITH DMC SEEKING COMMIT-

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PAGE 02 JERUSA 00850 101058Z

MENT TO HAVE ANY EXTENSION OF ISRAELI LAW REFERRED TO KNESSET FIRST AND DAYAN ESPOUSING FORMULAR OF "NO APPLICATION OF LAW WHILE THERE ARE NEGOTIATIONS." IF LIKUD ACCEPTS DAYAN FORMULA THEN WEST BANKERS SEE POSSIBILITY OF ISRAELIS USING THREAT OF APPLICATION AS LEVERAGE IN ARAB-ISRAELI NEGOTIATIONS. ANOTHER ASPECT OF THIS ISSUE IS THE POSSIBILITY OF PIECEMEAL APPLICATION OF ISRAELI LAW TO ISRAELI SETTLERS IN WEST BANK SO THAT IN THE

FUTURE PEOPLE LIKE RABBI LEVINGER (OF KIRYAT ARBA NEAR HEBRON) WILL BE TRIED IN ISRAELI CIVIL COURT FOR OFFENSES COMMITTED ON WEST BANK. THIS WAS ONE OF GUSH LEADER BEN PORATH'S DEMANDS WHEN RABIN VISITED GUSH ETZION EARLY THIS YEAR AND MAY BE EXPECTED TO SURFACE AGAIN BY GUSH SUPPORTERS.

B. ACCELERATION OF ISRAELI SETTLEMENT ACTIVITY - WEST BANKERS EXPECT BEGIN TO ALLOW AND, IN FACT, ENCOURGE MORE ISRAELI SETTLEMENTS THROUGHOUT WEST BANK AND HIS APPEARANCE AND SPEECH AT ILLEGAL SETTLEMENT SITE KADDUM RIGHT AFTER ELECTION VICTORY HAVE SUBSTANTIATED THIS CONCERN. RECENTLY THE GUSH ANNOUNCED INTENTIONS TO ESTABLISH 10 TO 20 MORE SETTLEMENTS WITHIN NEXT 6 MONTHS. THIS ISSUE IS ALSO MATTER OF MAJOR ATTENTION IN CURRENT EFFORTS TO FORM NEW ISRAELI GOVERNMENT WITH YADIN INSISTING ON MORE RESTRICTIVE POLICY THAN THAT IMPLIED BY BEGIN'S STATEMENTS. GUSH SUPPORTERS ARE URING THAT ALL WEST BANK BE CONSIDERED A SECURITY ZONE AND THUS OPEN TO SETTLEMENTS. IT IS DIFFICULT TO IMAGINE THAT ANY BEGIN-LED GOVERNMENT WILL NOT COUNTENANCE GREATER SETTLEMENT ACTIVITY ON WEST BANK THAN WAS CASE UNDER LABOR GOVERNMENT AND WEST BANKERS FEAR SERIOUS CONFRONTATIONS WITH ISRAELI AUTHORITIES AND SETTLERS WILL TAKE PLACE AS A RESULT.

C. RESTRICTIONS ON TRAVEL - "OPEN BRIDGES" HAVE BEEN AN ASSET TO GOI FOR ECONOMIC REASONS AS WELL AS UNIQUE MEANS OF ACCESS TO ARAB WORLD, HOWEVER, THEY ARE EVEN MORE IMPORTANT TO WEST BANKERS PSYCHOLOGICALLY AND POLITICALLY. SOME WEST BANKERS BELIEVE THAT BEGIN GOVERNMENT WILL TIGHTEN UP CONTROL LIMITED OFFICIAL USE

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PAGE 03 JERUSA 00850 101058Z

ON WEST BANK TRAVEL ACROSS BRIDGES AND MAY USE SUCH CONTROLS AS SANCTIONS TO DISCIPLINE THEM FOR ANTI-ISRAELI BEHAVIOR. IT IS POSSIBLE THAT BEGIN GOVERNMENT WOULD RESTRICT INTRA-WEST BANK TRAVEL ALSO IF SECURITY SITUATION DETERIORATES SERIOUSLY.

D. RESTRICTIONS ON WEST BANK MAYORS - ISRAELI REFUSAL TO ALLOW NATIONALISTIC WEST BANK MAYORS ATTEND JUNE 6 MEETING OF ARAB MAYORS IN MOROCCO HAS BEEN SEEN BY SOME AS POSSIBLE HARBINGER OF THINGS TO COME UNDER BEGIN GOVERNMENT. THERE ARE CONCERNS ALSO THAT FUNDING OF MUNICIPAL PROJECTS PROVIDED BY ARAB COUNTRIES UNDER "SISTER-CITY" CONCEPT MAY BE RESTRICTED AND FURTHER FUND-RAISING TRIPS BY MAYORS DISCOURAGED IN ORDER TO PREVENT ANY ENHANCEMENT OF STATUS OF WEST BANK MAYORS. PAST ANTI-ISRAELI STATEMENTS BY MAYORS MAY NO LONG BE TOLERATED AND SOME FEAR THAT CONSULATIONS AMONG WEST BANK MAYORS MAY BE FORCEFULLY INHIBITED.

E. CIVIL RIGHTS FOR ARABS - MANY WEST BANKERS ARE

CONVICED THAT BEGIN IS, SIMPLY PUT, "ANTI-ARAB" AND WOULD MOVE TO ENFORCE THAT ARAB PROPORTION OF ISRAELI POPULATION NOT THREATEN JEWISH NATURE OF STATE. THEY EXPECT HIS INSTINCTS WILL BE TO GET TOUGHER ON ARABS BOTH IN ISRAEL AND THE WEST BANK. IN RESPONSE TO DEMONSTRATIONS, THIS PRESUMED ATTITUDE OF BEGIN LEADS THEM TO EXPECT GREATER INTIMIDATION, MORE DEPORTATIONS AND HOUSE RAZINGS AND A GENERALLY LESS SENSITIVE ATTITUDE TOWARD INTERNATIONAL OPINION IN ALL CIVIL RIGHTS ISSUES. THESE FEARS WOULD NOT BE GREATLY REDUCED EVEN IF DAYAN, WHO IS CONSIDERED MORE UNDERSTANDING OF ARABS, WOULD BE IN BEGIN CABINET.

F. ECONOMIC ISSUES - ALTHOUGH WEST BANK BUSINESSMEN HAVE SAID THEY EXPECT A BEGIN ADMINISTRATION TO SQUEEZE THEM MORE - MORE TAXES, TOUGHER IMPLEMENTATION AND PENALTIES - THEY GENERALLY AGREED THAT HE WOULD AVOID ANY STEPS WHICH WOULD HARM THE ISRAELI ECONOMY AND WOULD THUS ALLOW CONTINUED EXPORT OF WEST BANK PRODUCE. ANY RISE IN ISRAELI UNEMPLOYMENT AS A RESULT OF LIMITED OFFICIAL USE

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PAGE 04 JERUSA 00850 101058Z

BEGIN'S ECONOMIC POLICIES WOULD UNDOUBTEDLY IMPACT FIRST ON WEST BANK LABORERS IN ISRAEL.

G. HOLY PLACES - DESPITE EARLY REASSURING STATEMENTS BY LIKUD OFFICIALS SUCH AS WEIZMAN THAT NO CHANGE IN STATUS QUO IS PLANNED FOR HOLY PLACES I.E., JERUSALEM TEMPLE MOUNT AND HEBRON, WEST BANKERS RECALL EARLIER PRESSURES BY LIKUD AND GUSH TO PUSH JEWISH OBSERVANCES IN BOTH PLACES.

2. IN SUMMARY, WEST BANKERS IN THINKING ABOUT THEIR IMMEDIATE FUTURE ARE WATCHING CLOSELY BEGIN AND THE ISRAELI GOVERNMENT FORMATION PROCESS. THEY HOPE THAT HE MAY BE MORE REASONABLE IN GOVERNING THAN HIS STATEMENTS HAVE BEEN IN THE PAST. THE MORE THOUGHTFUL WEST BANKER LOOKS FOR SOME MODERATION AND PRAGMATISM FROM DAYAN AND YADIN (IF HE IS IN THE COALITION). MOSTLY THEY HOPE THAT OUTSIDE INTERNATIONAL OPINION ESPECIALLY U.S. ATTITUDES WILL HAVE SOME EFFECT ON A BEGIN GOVERNMENT AND ITS TREATMENT OF THE WEST BANK.

3. THEY ARE NOT OPTIMISTIC HOWEVER THAT ANYTHING CAN REALLY HELP THEIR LOT IN THE ABSENCE OF OVER-ALL PROGRESS ON A MIDDLE EAST SETTLEMENT - THIS GENERALLY PESSIMISTIC FEELING WAS MOST RECENTLY ARTICULATED BY ANWAR NUSEIBEH IN HIS APPEARANCE AT THE TRUMAN INSTITUTE SEMINAR (SEE JERUSALEM 846). THEY HAVE SEEN THAT 10 YEARS OF U.S. OPPOSITION TO GOI SETTLEMENTS POLICY HAS NOT DETERRED THE LABOR GOVERNMENT AND SEE BEGIN AS BEING EVEN LESS SENSITIVE TO OUTSIDE OPINION. AT THIS POINT, MOST FEAR A SPIRALING CYCLE OF (1) MORE ISRAELI ACTIONS INIMICAL TO WEST BANK INTERESTS (2) INCREASED WEST BANK REACTION INCLUDING DEMONSTRATIONS AND VIOLENCE AND (3) INEVITABLY, FURTHER ISRAELI REPRESSION. THE ONLY BRIGHT SPOT FOR WEST

BANKERS CONTINUED TO BE THEIR HOPE (NOW INTENSIFIED) THAT THE  
US WILL BE ABLE TO GET NEGOTIATIONS GOING THAT WILL PROVE TO  
BE SUCCESSFUL.  
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